

**CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA**

**Oakdale, Louisiana**

**Annual Financial Report and Independent  
Auditors' Report**

**Year Ended December 31, 2012**

***Royce T. Scimemi, CPA, APAC  
Oberlin, Louisiana***

**CITY COURT OF OAKDALE AND WARD 5  
OF ALLEN PARISH, LOUISIANA**

**Annual Financial Report for Year Ended December 31, 2012**

**TABLE OF CONTENTS**

	<u><b>Pages</b></u>
INDEPENDENT AUDITORS' REPORT	3-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	5-9
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	12
Statement of activities	13
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	15
Reconciliation of the governmental funds balance sheet to the statement of net position	16
Statement of revenues, expenditures and changes in fund balance - governmental funds	17
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental funds to the statement of activities	18
Statement of fiduciary net position	19
NOTES TO THE BASIC FINANCIAL STATEMENTS	20-30
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund:	
Budgetary comparison schedule	32
OTHER SUPPLEMENTARY INFORMATION	
Agency Funds:	
Combining statement of fiduciary net position	35
Combining statement of changes in fiduciary net position	36
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	37-38
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	39
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR AUDIT FINDINGS AND QUESTIONED COSTS (UNAUDITED)	40
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	41



# ROYCE T. SCIMEMI, CPA, APAC

## CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 210  
Oberlin, LA 70655  
Tele (337) 639-4334, Fax (337) 639-4068

Member  
American Institute of  
Certified Public Accountants

Member  
Society of Louisiana  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

**HONORABLE JUDI ABRUSLEY**  
**CITY JUDGE**  
**CITY COURT OF OAKDALE**  
**AND WARD 5 OF ALLEN PARISH, LOUISIANA**  
Oakdale, Louisiana

June 30, 2013

We have audited the accompanying basic financial statements of the governmental activities and the major fund of the City Court of Oakdale and Ward 5 of Allen Parish, Louisiana (the "City Court"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City Court's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the City Court, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2013 on our consideration of the City Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

### Other Matters

#### *Required Supplementary Information*

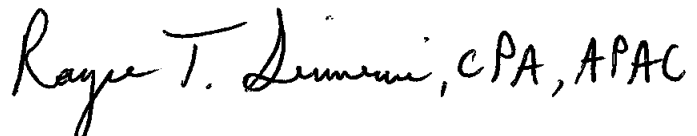
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-9 and 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Courts's basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Royce T. Scimemi, CPA, APAC



CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

**Management's Discussion and Analysis**

Within this section of the City Court of Oakdale and Ward 5 of Allen Parish, Louisiana annual financial report, the City Court's management is pleased to provide this narrative discussion and analysis of the financial activities of the City Court for the fiscal year ended December 31, 2012. The City Court's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**Financial Highlights**

- The City Court's assets exceeded its liabilities by \$196,882 and \$168,070 (net position) for the fiscal years ended December 31, 2012 and 2011, respectively.
- Total revenues of \$305,996 exceeded total expenses of \$277,184 which resulted in a 2012 surplus of \$28,812. In the prior year, total revenues of \$226,378 exceeded total expenses of \$219,967, which resulted in a 2011 surplus of \$6,411.
- Total net position are comprised of the following:
  - (1) Capital assets of \$28,812 include property and equipment, net of accumulated depreciation, and are reduced for outstanding debt, if any, related to the purchase of capital assets.
  - (2) Unrestricted net position of \$168,070.
- The City Court's governmental funds reported total ending fund balance of \$168,070 this year. This compares to the prior year ending fund balance of \$149,933, reflecting an increase of \$18,137 during 2012.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$168,070, or 58% of total General Fund expenditures and 55% of total General Fund revenues.
- Overall, the City Court financial position has improved as a result of the required funding of the City Court's operational expenses by the City of Oakdale. The unassigned governmental fund balance increased by \$18,137 during the current year.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the City Court's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City Court also includes in this report additional information to supplement the basic financial statements.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Management's Discussion and Analysis

**Government-wide Financial Statements**

The City Court's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City Court's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City Court's assets, deferred inflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City Court as a whole is improving or deteriorating. Evaluation of the overall health of the City Court would extend to other nonfinancial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City Court's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City Court's distinct activities or functions on revenues provided.

The government-wide financial statements are presented on pages 12 and 13 of this report.

**Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City Court uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City Court's most significant funds rather than the City Court as a whole.

The City Court uses governmental funds and fiduciary funds as follows:

*Governmental funds* are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City Court's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 15 through 19 of this report.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Management's Discussion and Analysis

*Notes to the basic financial statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

*Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City Court's budget presentations. A budgetary comparison statement is included as "required supplementary information" for the general fund. This schedule demonstrates compliance with the City Court's adopted and final revised budget. Required supplementary information can be found on page 32 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information concerning the City Court's fiduciary funds. These statements reflect greater detail on the activity in the City Court's fiduciary funds. Other supplementary information can be found on pages 35 and 36 of this report.

**Financial Analysis of the City Court as a Whole**

The City Court's net position at December 31, 2012 and 2011 were \$196,882 and \$168,070, respectively. The following table provides a summary of the City Court's net position:

	<u>2012</u>		<u>2011</u>	
Assets & Deferred Outflows of				
Resources:				
Current assets	\$184,329	86%	\$160,089	90%
Capital assets	<u>28,812</u>	<u>14</u>	<u>18,137</u>	<u>10</u>
Total assets	<u>213,141</u>	<u>100%</u>	<u>178,226</u>	<u>100%</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities & Deferred Inflows of				
Resources:				
Current liabilities	16,259	100%	10,156	100%
Long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>16,259</u>	<u>100%</u>	<u>10,156</u>	<u>100%</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position:				
Investment in capital				
assets, net of debt	28,812	15%	18,137	11%
Unrestricted	<u>168,070</u>	<u>85</u>	<u>149,933</u>	<u>89</u>
Total net position	<u>\$196,882</u>	<u>100%</u>	<u>\$168,070</u>	<u>100%</u>

The City Court continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio was 11.34 to 1 and 15.76 to 1 in 2012 and 2011, respectively.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Management's Discussion and Analysis

The following table provides a summary of the City Court's changes in net position:

Revenues:	2012		2011	
Program:				
Charges for services/court costs	\$ 96,619	32%	\$ 56,538	25%
Operating grants and contributions	209,218	68	169,473	75
General:				
Interest	<u>159</u>	<u>-</u>	<u>367</u>	<u>-</u>
Total revenues	305,996	<u>100%</u>	226,378	<u>100%</u>
Program expenses:				
Court administration	<u>277,184</u>	<u>100%</u>	<u>219,967</u>	<u>100%</u>
Change in net position	28,812		6,411	
Beginning net position	<u>168,070</u>		<u>161,659</u>	
Ending net position	\$ <u>196,882</u>		\$ <u>168,070</u>	

**Governmental Revenues**

Note that program revenues covered 100% and 100% of governmental operating expenses in 2012 and 2011, respectively.

**Governmental Functional Expenses**

The total function of the City Court is the administration of law. Of the total cost, depreciation on the equipment was \$5,555 or 2% and \$5,458 or 2% of total expenses in 2012 and 2011, respectively.

Financial Analysis of the City Court's Funds

**Governmental Funds**

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$168,070 and \$149,933 in 2012 and 2011, respectively.

The unassigned fund balance increased by \$18,137 during the current year.

**Budgetary Highlights**

**The General Fund** – When the original budget was adopted, it was anticipated that the total revenues were going to increase mainly due to an increase in court costs. It was also anticipated that the total expenditures were going to decrease primarily due to a decrease in capital outlays. The budget was amended once during the year. The amendment was made primarily to increase revenues related to court costs. Variances were positive overall. Expenditures were amended primarily due to an expected increase in salaries.



CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Management's Discussion and Analysis

**Capital Assets and Debt Administrators**

***Capital assets***

The City Court's investment in capital assets, net of accumulated depreciation as of December 31, 2012 and 2011, were \$28,812 and \$18,137, respectively. See Note 4 for additional information about changes in capital assets during the fiscal year and the balance at the end of the year. The following table provides a summary of capital asset activity.

	<u>2012</u>	<u>2011</u>
Depreciable assets:		
Furniture, fixtures, and equipment	\$ 58,146	\$ 57,587
Less accumulated depreciation	<u>29,334</u>	<u>39,450</u>
Book value-depreciable assets	\$ <u>28,812</u>	\$ <u>18,137</u>
Percentage depreciated	<u>50%</u>	<u>69%</u>
Book value-all capital assets	\$ <u>28,812</u>	\$ <u>18,137</u>

***Long-term debt***

The City Court had no long-term debt during 2012.

**Contacting the City Court's Financial Management**

This financial report is designed to provide a general overview of the City Court's finances, comply with finance-related laws and regulations, and demonstrate the City Court's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the City Court's office, Judge Judi Abrusley, at (318) 335-1121.

**BASIC FINANCIAL STATEMENTS**

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Statement of Net Position  
December 31, 2012

Governmental  
Activities

ASSETS & DEFERRED OUTFLOWS OF RESOURCES

Current assets:	
Cash	\$ 131,211
Investments	50,411
Accounts receivable -- intergovernmental	2,707
Noncurrent assets:	
Capital assets, net	<u>28,812</u>
Total assets	<u>213,141</u>

DEFERRED OUTFLOWS OF RESOURCES -

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES 213,141

LIABILITIES & DEFERRED INFLOWS OF RESOURCES

Current liabilities:	
Accounts payable	14,700
Accrued payroll liabilities	<u>1,559</u>
Total liabilities	<u>16,259</u>

DEFERRED INFLOWS OF RESOURCES -

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES 16,259

NET POSITION

Invested in capital assets, net of related debt	28,812
Unrestricted	<u>168,070</u>
Total net position	<u>\$ 196,882</u>

The accompanying notes are an integral part of these financial statements

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Statement of Activities  
Year Ended December 31, 2012

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Position</u>
		<u>Court Costs Other Charges</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Court Administration	<u>\$277,184</u>	<u>\$ 96,619</u>	<u>\$209,218</u>	<u>\$ 28,653</u>
	General revenues:			
	Interest Earnings			<u>159</u>
	Total general revenues			<u>159</u>
	Change in net position			28,812
	Net position-December 31, 2011			<u>168,070</u>
	Net position-December 31, 2012			<u>\$196,882</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS (FFS)

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Balance Sheet - Governmental Funds  
December 31, 2012

	Governmental <u>Fund Type</u>
ASSETS & DEFERRED OUTFLOWS OF RESOURCES	
Cash	\$ 131,211
Investments	50,411
Accounts receivable – intergovernmental	<u>2,707</u>
Total assets	184,329
Deferred outflows of resources	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>184,329</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY	
Accounts payable	14,700
Accrued payroll liabilities	<u>1,559</u>
Total liabilities	<u>16,259</u>
Deferred inflows of resources	<u>-</u>
Fund equity:	
Fund balance - unassigned	<u>168,070</u>
Total fund equity	<u>168,070</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY	\$ <u>184,329</u>

The accompanying notes are an integral part of these financial statements.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2012

Total fund balance for governmental funds at December 31, 2012	\$ 168,070
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Office furniture, fixtures and equipment, net of \$29,334 accumulated depreciation	<u>28,812</u>
Total net position of governmental activities at December 31, 2012	<u>\$ 196,882</u>

The accompanying notes are an integral part of these financial statements.



CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Funds  
Year Ended December 31, 2012

Revenues:	
Fees, charges, commissions, - court costs, and fines	\$ 96,619
Interest	159
Intergovernmental	<u>209,218</u>
Total revenues	305,996
Expenditures:	
Current	
Contract services	8,400
Computer	3,196
Dues and subscriptions	1,404
Education	3,935
Equipment lease	448
Insurance	438
Library	674
Office	5,808
Payroll taxes	4,286
Postage	3,152
Professional fees	14,779
Retirement	43,662
Salaries	157,539
Telephone	6,265
Travel	16,021
Uniforms	1,374
Capital Outlay	<u>16,478</u>
Total expenditures	<u>287,859</u>
Excess (deficiency) of revenues over (under) expenditures	18,137
Fund balance, beginning of year	<u>149,933</u>
Fund balance, end of year	<u>\$168,070</u>

The accompanying notes are an integral part of these financial statements.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Funds to the  
Statement of Activities  
Year Ended December 31, 2012

Total net changes in fund balance at December 31, 2012 per statement of revenues, expenditures and changes in fund balance	\$ 18,137
---	-----------

The change in net position reported for governmental activities in the  
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Capital outlays that are considered expenditures on statement of revenues, expenditures and changes in fund balance	\$ 16,478	
Net basis in assets disposed of during year ended December 31, 2012	(248)	
Depreciation expense for the year ended December 31, 2012	<u>(5,555)</u>	<u>10,675</u>

Total changes in net position at December 31, 2012 per Statement of Activities	\$ <u>28,812</u>
--	------------------

The accompanying notes are an integral part of these financial statements.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2012

	<u>Agency Funds</u>
Assets	
Cash	<u>\$48,025</u>
Liabilities	
Advanced costs/bond deposits	<u>\$48,025</u>

The accompanying notes are an integral part of these financial statements.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2012

(1) Summary of Significant Accounting Policies

The City Court of Oakdale and Ward 5 of Allen Parish, Louisiana was established under Louisiana Revised Statutes 13:1870 et. seq. Its territorial jurisdiction extends throughout Ward 5 of Allen Parish in which the City of Oakdale is located. The City Court is composed of a city court judge (elected) and a city clerk (appointed by the city judge). The city court judge in all criminal matters including traffic violations assesses court costs. These costs are utilized in the operation of the City Court. Costs are deposited into separate special accounts for the ward marshal and the city judge. The city judge is elected for a term of six years.

The accounting and reporting policies of the City Court conform to generally accepted accounting principles as applied to governments and to the requirements of the industry audit guide, *Audits of State and Local Governments*. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The following is a summary of certain significant accounting policies:

A. Basis of Presentation

The accompanying basic financial statements of the City Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB 34, "Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments", issued in June 1999.

GASB 63 - "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" is adopted for the fiscal year ended December 31, 2012. GASB 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, "Elements of Financial Statements", introduced and defined those elements as a consumption of net position by the government that is applicable to a future reporting period and an acquisition of net position by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards did not include guidance for reporting those financial elements, which are distinct from assets and liabilities. Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net position reporting requirements in Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

GASB 65 - "Items Previously Reported as Assets and Liabilities" is adopted for the fiscal year ended December 31, 2012. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement amends

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2012

the financial statement element classification of certain items previously reported as net assets and liabilities to be consistent with the definitions in Concepts Statement No. 4. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the City Court as a whole. These statements include all the financial activities of the City Court except for fiduciary-agency funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchanges occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the City Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include court cost income and intergovernmental revenues. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The City Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the City Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City Court or if its total assets, liabilities, revenues or expenditures is at least 10% of the corresponding total for all governmental funds. The funds of the City Court are described below:

Governmental Fund -

The General Fund is the principal fund of the City Court and is used to account for the operations of the City Court. The various fees and charges due to the City Court are accounted for in this fund. General operation expenditures are paid from this fund.

Fiduciary Funds -

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the City Court are agency funds. The agency funds (Civil Court Fund, Cash Bond Fund, and Fines and Restitution Fund) account for assets held by the City Court as an agent for outside parties, including other governments, or on behalf of other funds within the

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2012

government. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting

**B. Financial Reporting Entity**

The city court judge and marshal are independently elected officials and each represents a separate reporting entity.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component unit should be considered part of the reporting for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - (a) the ability of the primary government to impose its will on that organization and/or
  - (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The accompanying financial statements present information only on the funds maintained by the City Court and do not present information on the marshal, the City of Oakdale, or the Allen Parish Police Jury, the general government services provided by those governmental units, or any other governmental units.

**C. Measurement Focus/Basis of Accounting**

The amounts reflected in the governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of City Court operations. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2012

The governmental funds utilize the modified accrual basis of accounting, under which revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for the interest and principal payments on general long-term debt which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Penalties, fines, and miscellaneous revenues are recorded in the year in which they are received in cash because they are generally not measurable until actually received. Intergovernmental revenue and interest income are accrued when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Capital expenditures are regarded as expenditures at the time of purchase.

**D. Budgetary Accounting**

A general fund budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

On or before December 15 of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the City Court Judge for review. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations at the activity level. The original budget for 2012 was amended once during the year.

**E. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of donation. The City Court maintains a threshold level

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2012

of \$150 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office Furniture	5-7 Years
Equipment	5-10 Years
Improvements	10-20 Years

F. Compensated Absences

The City Court has the following policy relating to vacation and sick leave:

Employees of the City Court earn two to three weeks of vacation and 10 days of sick leave each year, depending on length of service. Vacation is cumulative and sick leave must be used in the year earned.

The City Court's recognition and measurement criteria for compensated absences follow:

- a. The employee's rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.
- c. The accrued compensated absences at December 31, 2012 amounted to \$0.

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City Court as an extension of formal budgetary integration in the funds.

H. Equity Classification

In the government-wide statements, equity is classified as net position and displayed in three components:



CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2012

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Committed net position - Consists of net position with constraints placed on the use by the governing body.
- d. Unrestricted net position – Consists of all other net position that does not meet the definition of a, b, or c above.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used for specific purposes determined by a formal action of the Judge. The Judge is the highest level of decision-making authority for the City Court. Commitments may be established, modified, or rescinded only by the Judge.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City Court's adopted policy, only the Judge may assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts.

I. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

J. Advanced Costs

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2012

Advanced costs represent money received in connection with civil suits. The plaintiff in each civil suit is required to make an advance payment to cover the cost charged by the City Court in processing the suit. These cash advances remain in the advance costs account until the court earns them, at which time they are disbursed to the proper entities, or until the case has been dismissed and the remaining amount is refunded.

K. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

The City Court has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, the City Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

L. Revenues, Expenditures, and Expenses

Operating revenues and expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Fees, charges, commissions, court costs, and fines are recorded when the City Court is entitled to the funds.

Interest on interest-bearing deposits is recorded as accrued revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character.

M. Subsequent Events

Management has evaluated subsequent events through June 30, 2013, the date the financial statements were available to be issued.

(2) City Court Operations

Fines collected by the City Court are required to be remitted to the City of Oakdale, LA, when prosecutions are on behalf of the City, to the Allen Parish Police Jury when the prosecutions are on behalf of the state or parish, and to other various state agencies as required by law.

The City Court Judge in both criminal and civil cases under the authority of Louisiana Revised Statutes 13:2110, 13:841 and 13:1899 assesses court costs. Costs collected in criminal matters (including traffic violations) are used to pay the operational expenses of the City Court. The City Court

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2012

receives no fees in criminal matters, including peace bonds. Court costs collected in civil cases are paid to the City Judge, the City Marshal and other agencies.

The City of Oakdale, LA and the Allen Parish Police Jury pay salary payments directly to the City Court Judge and the City Court's employees. The City Court supplements the City Court employees' salaries. The City Court is provided office and courtroom space by the City of Oakdale without charge.

(3) Cash and Investments

Under state law, the City Court may deposit funds with a fiscal agent bank located in the parish or congressional district that is organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City Court may also invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2012, the City Court has cash and investments (book balances) totaling \$229,647.

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
Demand deposits	\$131,211	\$ 48,025	\$179,236
Certificates of deposit	<u>50,411</u>	<u>-</u>	<u>50,411</u>
Total	<u>\$181,622</u>	<u>\$ 48,025</u>	<u>\$229,647</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City Court will not recover amounts held on deposit with the institution. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2012 totaled \$228,882 and are fully secured by federal deposit insurance and therefore not exposed to custodial credit risk.

(4) Changes in Capital Assets

A summary of changes in capital assets follows:

	<u>Balance 12/31/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/12</u>
Furniture, fixtures and equipment	\$ 57,587	\$ 16,478	\$ (15,919)	\$ 58,146
Less: Accumulated Depreciation	<u>(39,450)</u>	<u>(5,555)</u>	<u>15,671</u>	<u>(29,334)</u>
Net	<u>\$ 18,137</u>	<u>\$ 10,923</u>	<u>\$ (248)</u>	<u>\$ 28,812</u>

Depreciation expense in the amount of \$5,555 was charged to court administration.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2012

(5) Pension Plan

*Louisiana State Employees' Retirement System*

On behalf of the City Court Judge, the City Court contributes to the Louisiana State Employees' Retirement System (the System), a cost sharing multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. All state employees except certain classes excluded by statute become members of the System as a condition of employment unless they elect to continue as a contribution member in any other retirement system for which they are eligible for membership. Elected officials and officials appointed by the governor may, at their option, become members of the System.

The System also provides retirement, death and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The Louisiana State Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing the Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, LA 70804-4213 or by calling (800) 256-3000.

Covered employees are required by state statute to contribute 11 1/2 percent of their salaries to the plan. The City Court is required by statute to contribute 31.8 percent from January 1, 2012 to June 30, 2012 and 34.8 percent from July 1, 2012 to December 31, 2012 of their salaries to the plan. The City Court contributions to the System for the years ended December 31, 2012, 2011 and 2010 were \$31,212, \$17,203 and \$13,693, respectively.

*Municipal Employees' Retirement System of Louisiana*

On behalf of eligible employees, other than the City Court Judge, the City Court contributes to the Municipal Employees' Retirement System (the System), a cost sharing multiple-employer, defined benefit pension plan administered by a separate board of trustees. The System is composed to two distinct plans (Plan A and Plan B). Employees are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

The System also provides death and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The Municipal Employees' Retirement System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Municipal Employees' Retirement System, 7937 Office Park Blvd., Baton Rouge, LA 70809 or by calling (225) 925-4810.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2012

Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary to the plan. The City Court is required by the same statute to contribute an actuarially determined rate. The rate was 16.75 percent from January 1, 2012 to June 30, 2012 and 17 percent from July 1, 2012 to December 31, 2012. In addition, contributions to the System include ¼ of one percent of the taxes shown to be collectible by the tax rolls of each respective parish, except Orleans Parish. The tax dollars are divided between Plan A and Plan B based proportionately on the salaries of active members of each plan. The contribution requirements of plan members and the City Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City Court's contributions to Plan A of the System for the year ended December 31, 2012, 2011 and 2010 were \$12,450, \$7,797, and \$9,426, respectively.

(6) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits is as follows:

	Unsettled Deposits <u>12/31/11</u>	<u>Additions</u>	<u>Reductions</u>	Unsettled Deposits <u>12/31/12</u>
Agency funds:				
Civil Court Fund	\$ 40,247	\$ 44,345	\$ 47,519	\$ 37,073
Cash Bond Fund	6,852	4,850	750	10,952
Fines and Restitution Fund	<u>-</u>	<u>289,165</u>	<u>289,165</u>	<u>-</u>
Total	<u>\$ 47,099</u>	<u>\$ 338,360</u>	<u>\$ 337,434</u>	<u>\$ 48,025</u>

(7) Risk Management

The City Court is exposed to various risks of loss related to torts, damage to, theft of and destruction of assets; errors and omissions; injuries to employees and the public; and natural disasters. The City Court is covered by the City of Oakdale's commercial insurance, including workers' compensation and employee health and accident insurance. No claims from these risks have exceeded commercial insurance coverage in any of the past three years.

(8) Expenditures of the City Court Paid by the City of Oakdale, LA

The City Court is located in Oakdale City Hall. The City of Oakdale, LA, as required by statute, pays the cost of maintaining and operating the City Court. These expenditures, except those noted in Note 9, are not included in the accompanying basic financial statements.

(9) On-Behalf Payments of Fringe Benefits and Salaries

GASB Statement No. 24 establishes accounting and financial reporting for on-behalf payments for fringe benefits and salaries. The following amounts were paid on-behalf of the City Court for employee salaries and fringe benefits during 2012:

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2012

Allen Parish Police Jury	\$ 27,887
City of Oakdale	99,902
Judicial Branch of Louisiana	<u>58,777</u>
Total	<u>\$186,566</u>

In accordance with GASB Statement No. 24, they are included as intergovernmental revenues and expenditures in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

General Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2012

	Original Budget	Amended/ Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Fees, charges, commissions, court costs, and fines	\$ 55,000	\$ 75,000	\$ 96,619	\$ 21,619
Interest	500	500	159	(341)
Intergovernmental	170,000	160,000	209,218	49,218
Miscellaneous	4,000	15,000	-	(15,000)
Total revenues	<u>229,500</u>	<u>250,500</u>	<u>305,996</u>	<u>55,496</u>
Expenditures:				
Current -				
Contract services	6,000	9,000	8,400	600
Computer	3,000	6,500	3,196	3,304
Dues and subscriptions	1,800	2,500	1,404	1,096
Education	5,000	3,500	3,935	(435)
Equipment lease	3,000	600	448	152
Insurance	300	300	438	(138)
Library	3,000	1,200	674	526
Miscellaneous	-	250	-	250
Office	2,000	5,000	5,808	(808)
Payroll taxes	13,500	6,000	4,286	1,714
Postage	2,200	3,600	3,152	448
Professional fees	12,500	14,500	14,779	(279)
Repairs and maintenance	500	250	-	250
Retirement	24,000	27,500	43,662	(16,162)
Salaries	135,000	158,000	157,539	461
Supplies	5,000	-	-	-
Telephone	7,200	7,200	6,265	935
Travel	6,500	20,000	16,021	3,979
Uniforms	500	1,800	1,374	426
Capital Outlay	<u>7,500</u>	<u>17,500</u>	<u>16,478</u>	<u>1,022</u>
Total expenditures	<u>238,500</u>	<u>285,200</u>	<u>287,859</u>	<u>(2,659)</u>
Excess (deficiency) of revenues over (under) expenditures	(9,000)	(34,700)	18,137	52,837
Fund balance, beginning of year	<u>149,933</u>	<u>149,933</u>	<u>149,933</u>	-
Fund balance, end of year	<u>\$ 140,933</u>	<u>\$ 115,233</u>	<u>\$ 168,070</u>	<u>\$ 52,837</u>



OTHER SUPPLEMENTARY INFORMATION

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

FIDUCIARY FUNDS  
Agency Funds

**Fines and Restitution Fund -**

To account for the receipt and disbursement of fines, and costs from criminal proceedings to the appropriate governmental entity.

**Civil Court Fund -**

To account for advance deposits in civil suits and the receipt and disbursement of civil docket fees, small claims fees, and garnishments.

**Cash Bond Fund -**

To account for the collection and disbursement of bonds in criminal proceedings.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Fiduciary Fund Type – Agency Funds  
Combining Statement of Fiduciary Net Position  
December 31, 2012

	<u>Civil Court Fund</u>	<u>Cash Bond Fund</u>	<u>Fines and Restitution Fund</u>	<u>Totals</u>
ASSETS				
Cash	\$ <u>37,073</u>	\$ <u>10,952</u>	\$ <u>-</u>	\$ <u>48,025</u>
Total Assets	<u>37,073</u>	<u>10,952</u>	<u>-</u>	<u>48,025</u>
LIABILITIES				
Advanced costs	37,073	-	-	37,073
Bond deposits	<u>-</u>	<u>10,952</u>	<u>-</u>	<u>10,952</u>
	\$ <u>37,073</u>	\$ <u>10,952</u>	\$ <u>-</u>	\$ <u>48,025</u>

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Fiduciary Fund Type – Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
Year Ended December 31, 2012

	Civil Court Fund	Cash Bond Fund	Fines and Restitution Fund	Totals
Balances, beginning of year	\$ 40,247	\$ 6,852	\$ -	\$ 47,099
Additions:				
Deposits –				
Civil suits and garnishments	44,345	-	-	44,345
Fines and court costs	-	-	289,165	289,165
Cash bonds	-	4,850	-	4,850
Total additions	<u>44,345</u>	<u>4,850</u>	<u>289,165</u>	<u>338,360</u>
Subtotal	<u>84,592</u>	<u>11,702</u>	<u>289,165</u>	<u>385,459</u>
Reductions:				
Deposits settled to –				
Allen Parish Clerk of Court	3,880	-	-	3,880
Allen Parish Police Jury	-	-	10,740	10,740
Allen Parish District Attorney	-	-	6,273	6,273
Allen Parish Sheriff	2,588	-	-	2,588
City of Oakdale	-	-	75,548	75,548
Indigent Defender Fund	-	-	41,417	41,417
Miscellaneous	4,361	750	12,243	17,354
Oakdale City Court	10,792	-	81,374	92,166
Oakdale City Court – Judge	15,196	-	-	15,196
Other State Agencies	7,568	-	23,991	31,559
Town of Elizabeth	-	-	2,419	2,419
Ward Marshal	<u>3,134</u>	<u>-</u>	<u>35,160</u>	<u>38,294</u>
Total reductions	<u>47,519</u>	<u>750</u>	<u>289,165</u>	<u>337,434</u>
Balances, end of year	\$ <u>37,073</u>	\$ <u>10,952</u>	\$ <u>-</u>	\$ <u>48,025</u>



# ROYCE T. SCIMEMI, CPA, APAC

## CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 210  
Oberlin, LA 70655  
Tele (337) 639-4334, Fax (337) 639-4068

Member  
American Institute of  
Certified Public Accountants

Member  
Society of Louisiana  
Certified Public Accountants

### INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

June 30, 2013

Honorable Judge Judi Abrusley  
City Court of Oakdale and Ward 5 of Allen Parish, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities and the major fund of the City Court of Oakdale and Ward 5 of Allen Parish, Louisiana (the "City Court"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City Court's basic financial statements and have issued our report thereon dated June 30, 2013.

#### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the City Court's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we

identified one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2012-1 I/C that we consider to be a significant deficiency in internal control.

Honorable Judge Judi Abrusley  
City Court of Oakdale and Ward 5 of Allen Parish, Louisiana  
June 30, 2013  
Page 2

***Compliance And Other Matters***

As part of obtaining reasonable assurance about whether the City Court's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City Court's response to the findings identified in our audit is described in the accompanying management's corrective action plan to the current year audit findings and questioned costs. We did not audit the City Court's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended for the information and use of the City Court, others within the entity, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Royce T. Scimemi, CPA, APAC

*Royce T. Scimemi, CPA, APAC*

CITY COURT OF OAKDALE AND WARD 5  
OF ALLEN PARISH, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2012

**Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Control deficiencies(s) identified that are not considered to be material weakness(es)? ☒ yes ☐ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

**Findings – Financial Statement Audit**

Finding #2012-1 I/C:  
Significant deficiency

Inadequate Segregation of Duties

Because of the lack of a large staff, more specifically accounting personnel, there is insufficient segregation of duties necessary for proper controls. We do note that this situation is inherent in most entities of this type and is difficult to solve due to the funding limitations of the City Court. We recommend that the Judge take an active interest in the review of all of the financial information.

**Federal Award Findings and Questioned Costs**

-None

CITY COURT OF OAKDALE AND WARD 5  
OF ALLEN PARISH, LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR  
AUDIT FINDINGS AND  
QUESTIONED COSTS (UNAUDITED)

Year Ended December 31, 2012

Internal Control and Compliance Material to the Financial Statements

Finding #2012-1 I/C:

Segregation of Duties:

This is an ongoing finding that cannot be corrected due to lack of financial resources and the size of the entity.

Contact Person: Honorable Judge Judi Abrusley



CITY COURT OF OAKDALE AND WARD 5  
OF ALLEN PARISH, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2012

Finding #2011-1 I/C:

Segregation of Duties:

Contact Person: Honorable Judge Judi Abrusley

Corrective Action Taken: This is an ongoing finding that cannot be corrected due to lack of financial resources and the size of the entity.